

Testimony: EPA's regional haze reconsideration in Wyoming

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Good afternoon. My name is Andrew M. Serri, and I am the CEO and general manager of Basin Electric Power Cooperative. Headquartered in Bismarck, ND, Basin Electric provides low-cost, reliable power and services to consumers in a nine-state region stretching from the Canadian to Mexican borders. As a wholesale power provider, we serve 137 electric cooperatives with a diverse mix of energy sources, including coal, natural gas, wind, waste heat and oil.

I'd like to thank Governor Mead and the State of Wyoming for making Wyoming a great state in which to do business. Basin Electric has roots in Wyoming dating back to the 1970s when we started construction of the Laramie River Station. We are part-owner and the operator for the Laramie River Station, near Wheatland, and most recently, we built the Dry Fork Station, a coal-based unit near Gillette. Laramie River Station is one of the generating stations impacted by EPA's proposed Federal Implementation Plan for regional haze.

The Laramie River Station, located east of Wheatland, WY, is one of the largest consumer-operated, regional, joint power supply ventures in the United States with three units and an operating capacity of 1,710 megawatts. We own this station along with the five other members of the Missouri Basin Power Project, a group of consumer-owned energy organizations in the United States. The electricity produced at Laramie River is sent to substations in Wyoming, Nebraska and Colorado, where it is then delivered to Missouri Basin Power Project (MBPP) participants.

You'll note a common theme to these facts: public power. We are deeply committed to our rural electric member-owners as well as the public power entities served by our generation. We are not here to make a profit; we are here to serve Rural America with reliable, affordable electricity, while making our communities better for the next generation.

I'm proud of our environmental record. Basin Electric, along with all MBPP members is committed to clean air, clear visibility, and continued protection of the state's natural areas. Basin Electric has invested more than \$1 billion to operate its power plants in an environmentally sound manner, and spends \$94.4 million annually to operate environmental protection equipment. We believe any energy portfolio must protect our air and water, while protecting our consumers from unwarranted power bills.

In this regard, Wyoming developed a highly effective State Implementation Plan for Regional Haze, and more than \$70 million has already been spent on this plan. We support Governor Mead and the state of Wyoming on this plan.

EPA's decision to disapprove Wyoming's SIP is deeply problematic to our consumers. Your federal plan requires that Laramie River Station implement Selective Catalytic Reduction to the tune of more than \$600 million to install on three units. This is an expense that would inevitably affect our public power consumers during a time when our economy is suffering. This makes no sense in light of effective and less expensive alternatives.

According to EPA modeling, the difference in perception to the human eye between Wyoming's plan and EPA's virtually indistinguishable. This is simply unacceptable.

Furthermore, the EPA is ignoring Wyoming's authority and local knowledge – exactly what the Clean Air Act set out NOT to do – a severe overstep of EPA's authority. This abrogation of Wyoming's rights stands to cost Wyoming utilities more than \$1 billion, according to Governor Mead, along with hundreds of millions of dollars in annual operating expenses ... again, for little to no benefit.

For these reasons, I stand by Governor Mead and the State of Wyoming, and encourage you to reconsider your disapproval of Wyoming's State Implementation Plan.